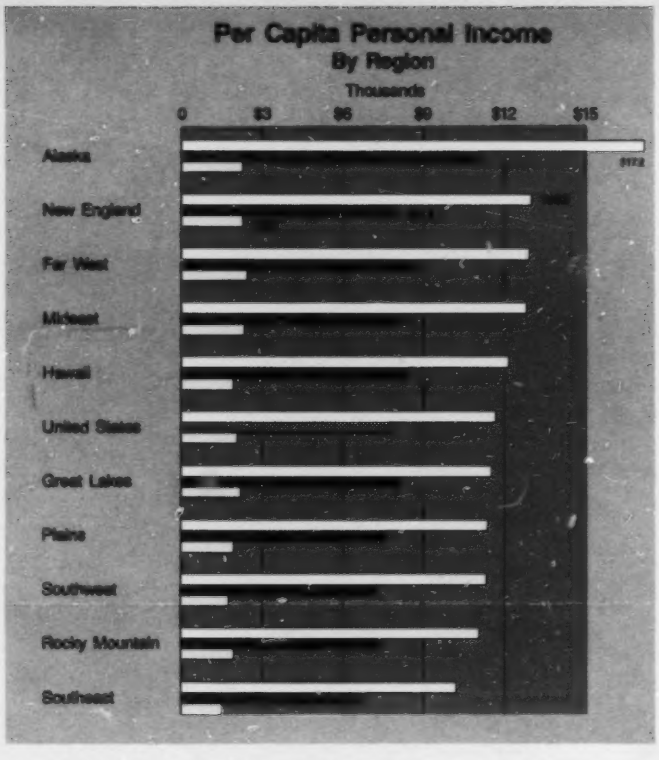
B85 R4105-5, 75A

The Conference Board

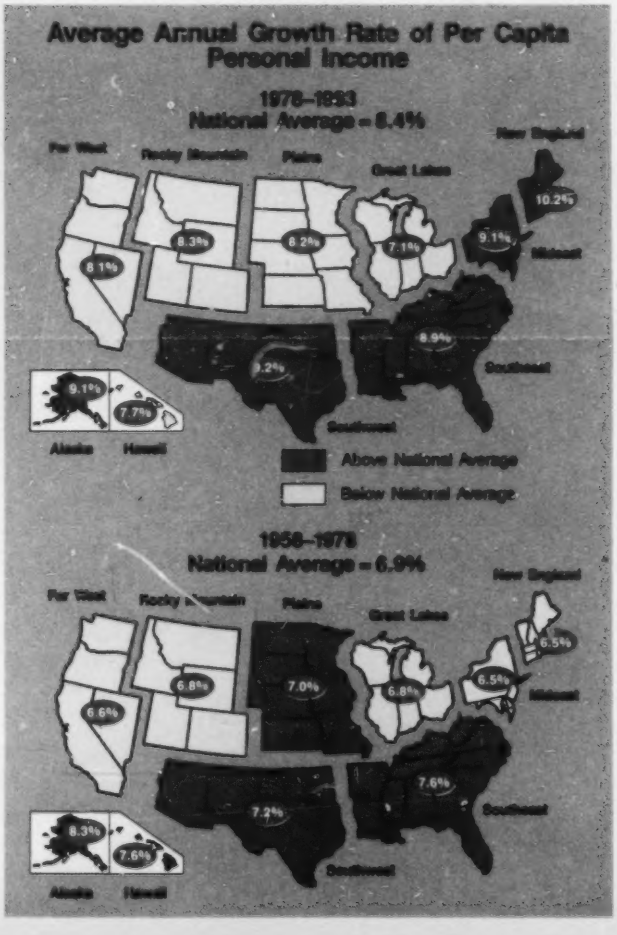
Regional and State Personal Income

Economic Road Maps
Nos. 1982–1983
October, 1984

Per capita personal income grew substantially during the past quarter century from an average of just over $2,000 in 1958 to $11,658 in 1983. While income levels differ from state to state, and the rate of income growth in the 50 states has also been uneven, certain trends have emerged quite clearly. The most important is the convergence of incomes, signifying that prosperity is being shared more equally than it was in the past; this trend is expected to continue for the rest of this century.

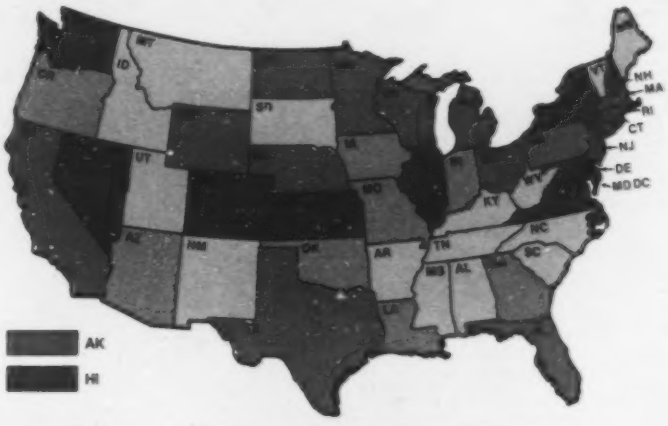


To see how income differentials have narrowed one has just to look at the wealthiest and poorest regions during the period. Twenty five years ago, the Far West was the most prosperous region with an average per capita income ($2,436) that was two-thirds higher than the average in the lowest income region, the Southwest. In 1983, New England had the highest average income ($13,005) but that figure was less than one third higher than the lowest placed Southeast. Another fairly obvious trend is that, on the whole, states with the lowest incomes had the fastest growth over the years. Reasons for this are varied. Industries are apt to locate in states with lower labor costs, but there is a variety of other considerations, such as union strength and tax rates. The percentage of working women, which has been above average in relatively high income regions, tended in the past to be below average in the South and Rocky Mountain regions. This gap has recently narrowed as labor force participation rates of women rose sharply in low income areas and this effect may have contributed to the closing of per capita income gap



Per Capita Personal Income 1983

- Under $10,000
- $10,000–11,000
- $11,000–12,000
- $12,000–13,000
- $13,000 & over



Per Capita Personal Income 1958

- Under $1,500
- $1,500–1,800
- $1,800–2,100
- $2,100–2,400
- $2,400 & over

Average Annual Percent Change 1958–1978

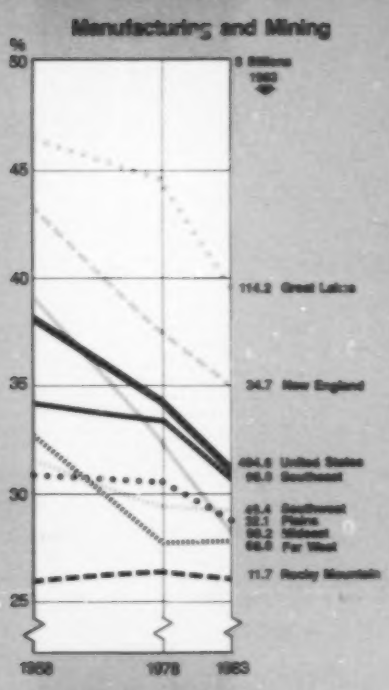
- 8% & over
- 7.5–7.9%
- 7.0–7.4%
- 6.5–6.9%
- 6.4% & under

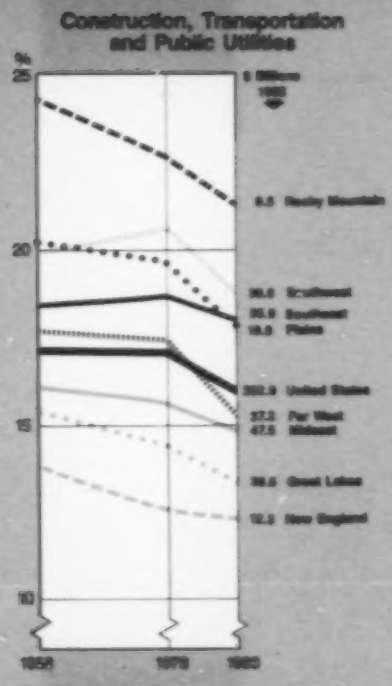
Average Annual Percent Change 1978–1983

- 10% & over
- 9–9.9%
- 8–8.9%
- 7–7.9%
- 6–6.9%

Earnings by Industry as % of Total Private Nonfarm Regional Earnings

Each Region=100%

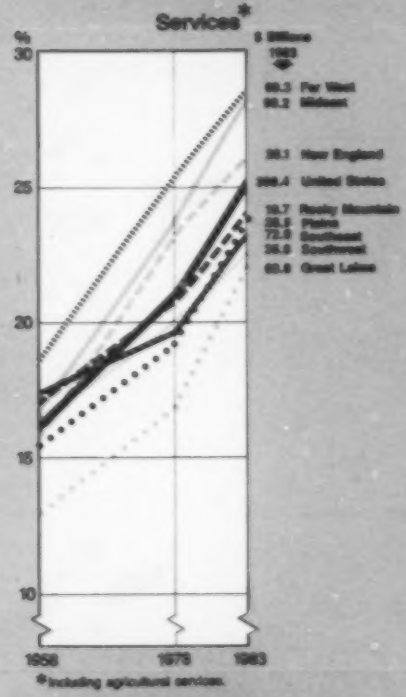


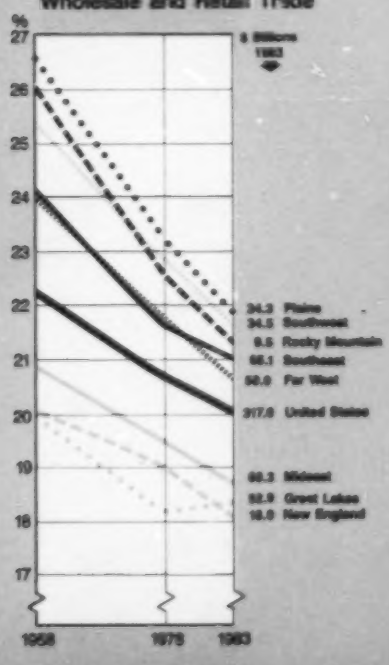


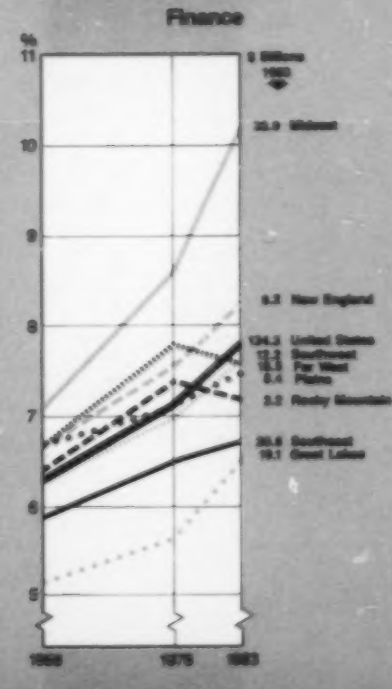
between the high and low income regions. In spite of their strong growth, most of the poorer states tend to remain so. Only three states, Georgia, Louisiana and Vermont, moved out of the bottom ten between 1958 and 1983, and Mississippi continues in the bottom spot in spite the fact that its income rose from $1,129 to $8,098 between 1958 and 1983.

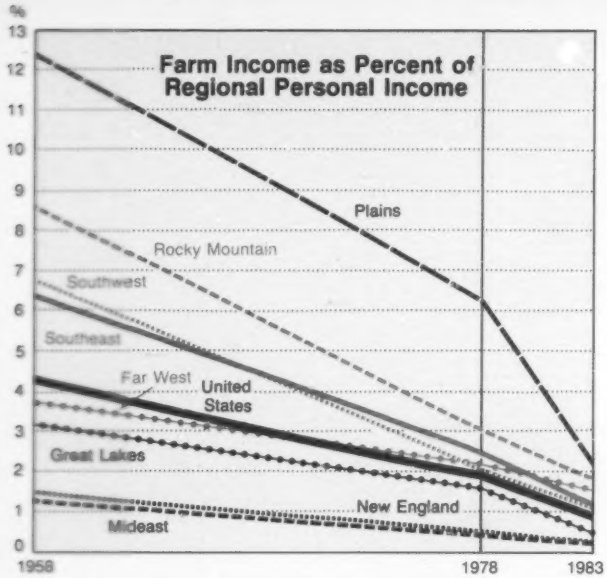
In the top category, Alaska moved from 10th place to first and Colorado and Maryland moved into the top ten, while Nevada and Illinois dropped out. Virginia advanced the most in terms of per capita income—from 39th place to number 15 and a per capita income of $12,116 in 1983.

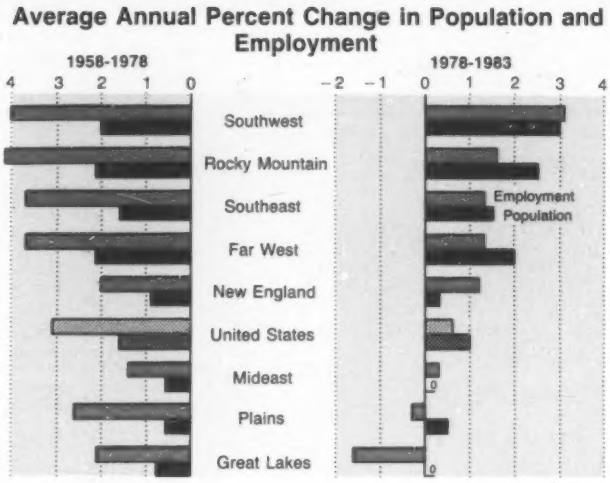
Changes in the industrial structure of the economy and the importance of each industrial sector to private nonfarm earnings in each region are shown on this page. For the United States as a whole, earnings in manufacturing declined from 36% to 29% of total income between 1958 and 1983, while mining income remained at 2% of total. Loss of share of manufacturing income was almost universal, but while it occurred gradually in most regions, the decline was precipitous during the past few years in the Great Lakes area, a region heavily dependent on manufacturing industry. Manufacturing still accounts for about two fifths of earnings or $114 billion in this region. Service industries account for a substantially larger share of income than manufacturing, having approached or surpassed 25% of total income in every region. Earnings in the finance sector, with the exception of Rocky Mountains and Far West, also improved their share of the total, especially in the Mideast region, and account for over 10% of that region's earnings. Construction, transportation, and public utilities lost share mainly during the past few years, while the share of wholesale

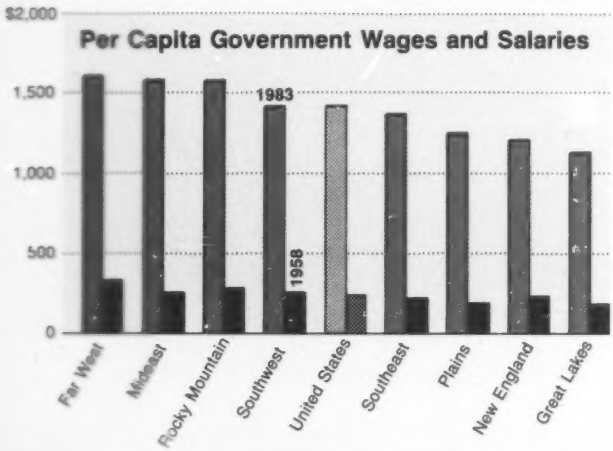








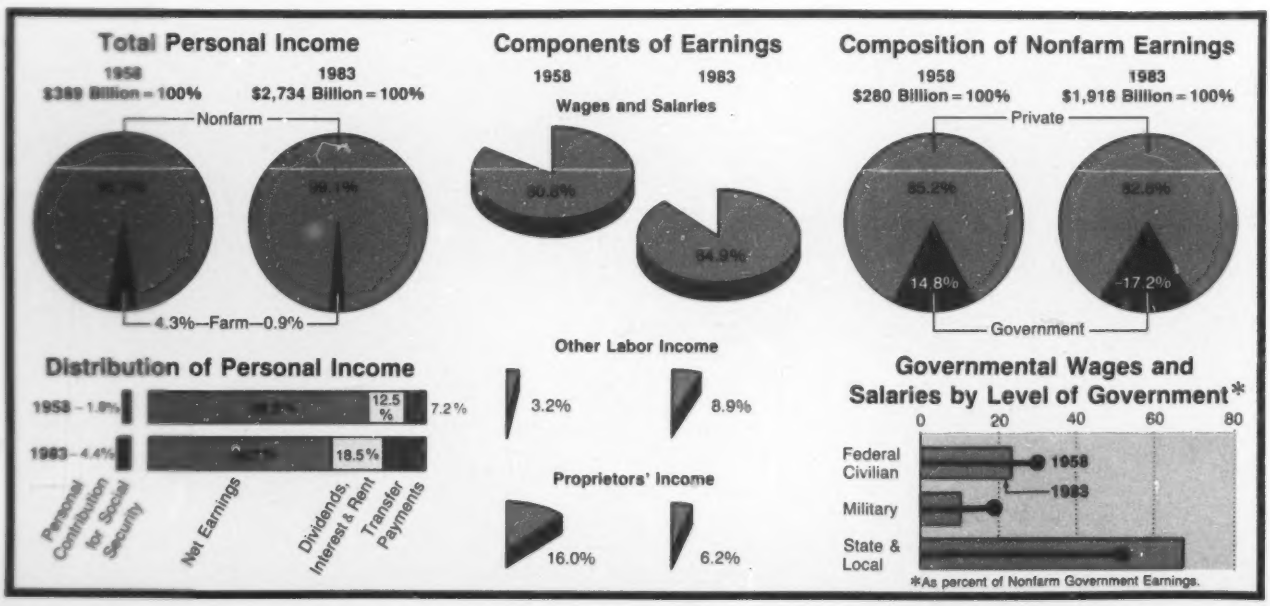




and retail trade declined at a slower pace. Farm income has now sunk to under 2% of income in all but the wheat producing Plains region, where farm income went from about 12% to roughly 2% of personal income between 1958-1983.

Personal income consists of wages and salaries, other labor income, proprietors' income, dividend, interest and rental income as well as transfer payments, less personal contributions for social insurance. Per capita personal income is total personal income divided by the resident population. Wages and salaries of government employees account for a larger share of nonfarm earnings today than in 1985—about 17%—mainly due to expansion of State and local governments. Eva Culen

Sources: U.S. Department of Commerce, Bureau of Economic Analysis; U.S. Department of Labor; The Conference Board.



ECONOMIC ROAD MAPS

Eva Culen, Editor Chuck N. Tow, Chief Chartist

Prepared in The Business Conditions Analysis Department—Lora S. Collins, Director
Prices for Quantities of this chart will be supplied on request to Information Service.

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The Conference Board

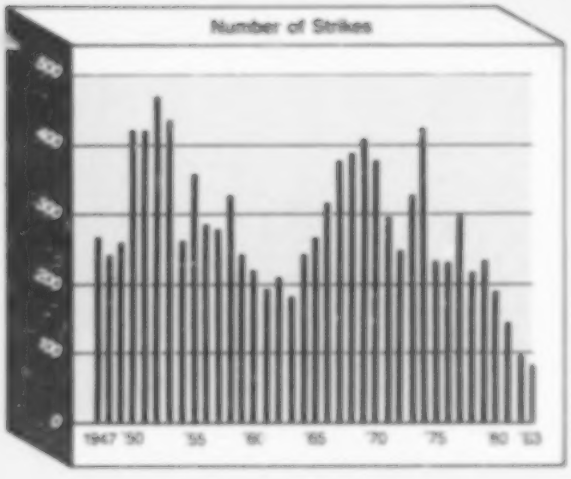
Post-World War II Trends in Strike Activity

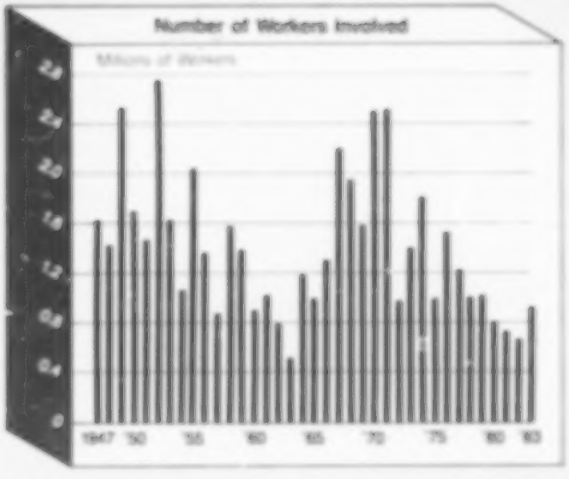
Economic Road Maps
Nos. 1984–1985

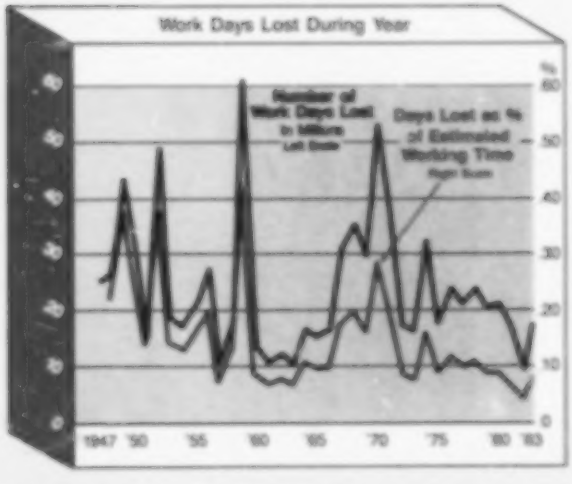
November, 1984

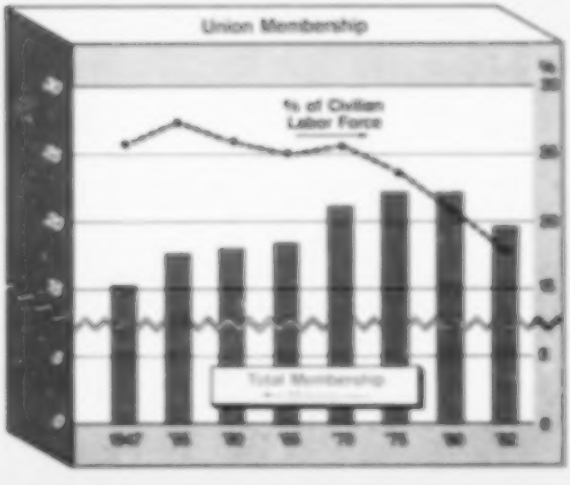
Strikes are a time-honored institution in the history of industrial relations in the United States. The first recorded instance come back in 1776, when printers in New York City, after having been refused a wage increase, ordered a "turn-out" and forced their employers to grant the increase. The post-World War II era was characterized by high strike activity, whether measured by number of strikes, number of workers involved in work stoppages, or annual days of idleness. This came to a sudden stop in the late 1970's: Strike activity not only declined, it is now by far the lowest in the post-World War II era. There were 81 work stoppages involving 1,000 workers or more in 1983, the latest date for which figures are available. This contrasts with an annual average of 289 during the 1970's. The number of workers involved totaled 909,000 in 1983 as against an average of almost 1½ million during the preceding decade. The days idle during the year numbered 17 million as against an average of 26 million during the 1970's.

Strike Activity in the United States
Involving 1,000 Workers or More
1947–1983





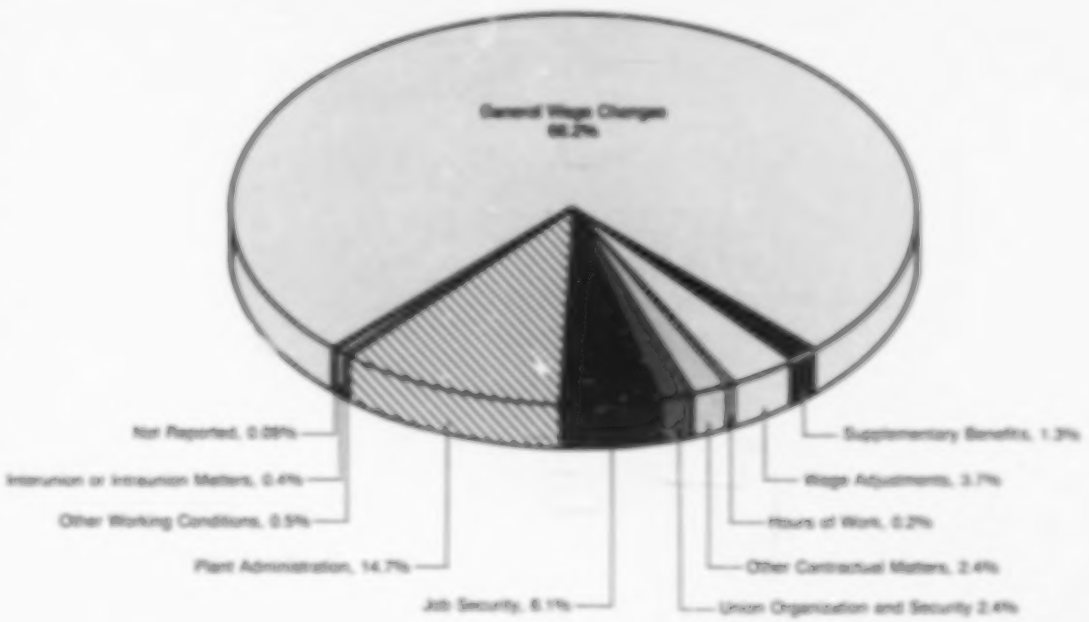

Work Days Lost During Year
Number of Work Days Lost in Millions
Days Lost as % of Estimated Working Time
1947 '50 '55 '60 '65 '70 '75 '80 '83



Note: The number of stoppages and workers relate to stoppages that began during the year; days of idleness include all stoppages in effect.

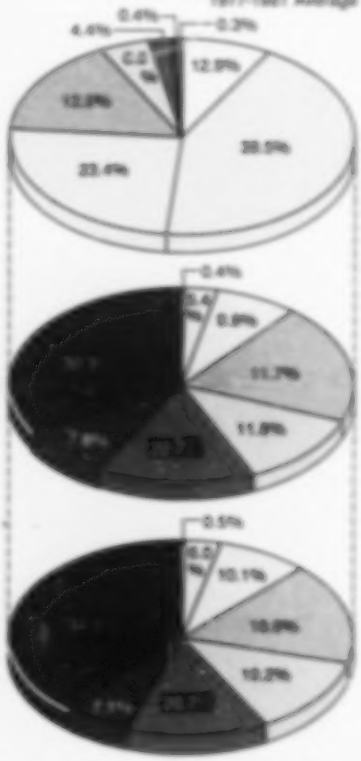
Work Stoppages Involving 6 or More Workers by Major Issues

1977-1981 Average



Work Stoppages by Size of Stoppage

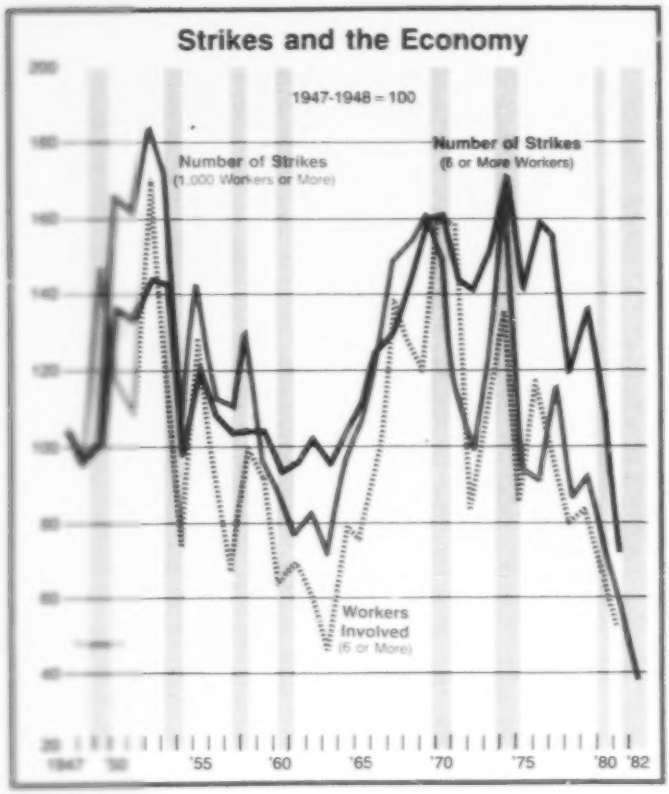
1977-1981 Average



The terms "strike" and "work stoppage" are used interchangeably in this road map. Also, no distinction is made in the data between a strike, in which labor refuses to work, and a lockout, in which management does not allow employees to work on their jobs; both legal and illegal strikes are included, but slowdowns are not. Before 1982, the Bureau of Labor Statistics data included work stoppages involving six or more workers, but starting with that year only stoppages involving 1,000 or more employees are recorded.

The strike trend generally tends to follow the business cycle. On the whole, strikes tend to diminish when business activity declines and job opportunities become scarce. Economic recovery is generally accompanied by revival of trade-union activity and industrial disputes. This relationship, however, does not show a tight regularity; other factors also play a role. The present situation may serve as an example: In spite of a booming economy, strikes not only failed to materialize, they have, in fact, declined. The post-World War II trend in strike activity has, without exception, produced a peak every third year in the number of workers involved in strikes. These have arisen, in part, as a result of the three-year duration of a large number of major union contracts; but this trend is also on the wane.

The clue to the changing situation lies with organized labor. Union membership has been declining over the years; after rising to a high of 20.8 million in 1974, it declined to an estimated 19.8 million in 1982. The decline was especially sharp during the 1981-1982 recession years, when membership fell by 2.6 million. Coupled with a 3.3 million rise in the civilian labor force, organized labor's share of the civilian work force declined to a low of 17.9



percent. Historically, union strength in the United States centered in smokestack industries. It was this sector that suffered the most striking setbacks recently—from low-cost, mostly foreign, competition and, in many cases, from falling demand for its products. A huge and costly modernization effort (which, in turn, would result in further pressure on jobs, either through elimination of existing positions or availability of jobs with different skills) weakened the unions' bargaining position even more. On the other hand, union strength has lagged in fast-growing idustries such as high-tech and services.

As a result, unions tended to be much less militant and concentrated on job-security issues rather than on wage demands, which used to be paramount. Some of the most recent settlements reflect this fact: The coal industry settled without a strike for the first time in 20 years, and the auto industry's settlements came about without any major upheavals.

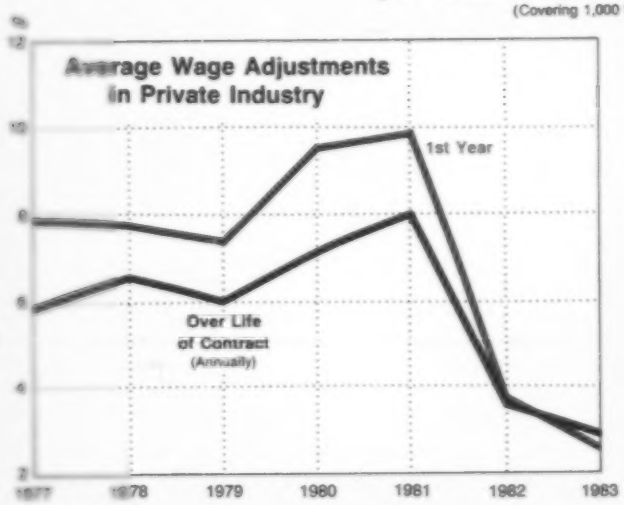
Wage settlements also reflect the moderation in union demands. In 1983, average wage adjustments in private industry were the lowest in the 16-year history of the Bureau of Labor Statistics series on collective bargaining settlements.

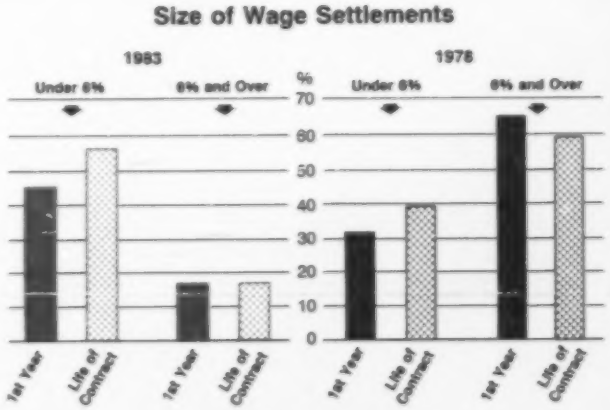
Eva Culen

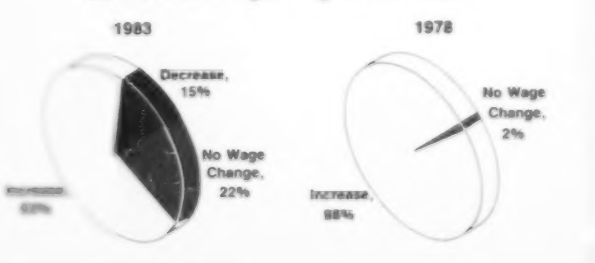
Sources: U.S. Department of Labor; International Labor Office; The Conference Board.

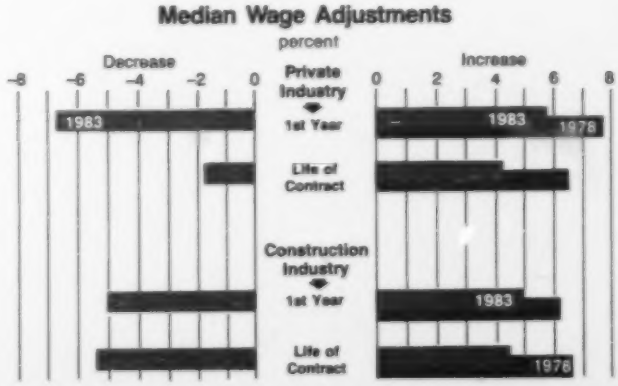
Major Collective Bargaining Settlements

(Covering 1,000 Workers or More)



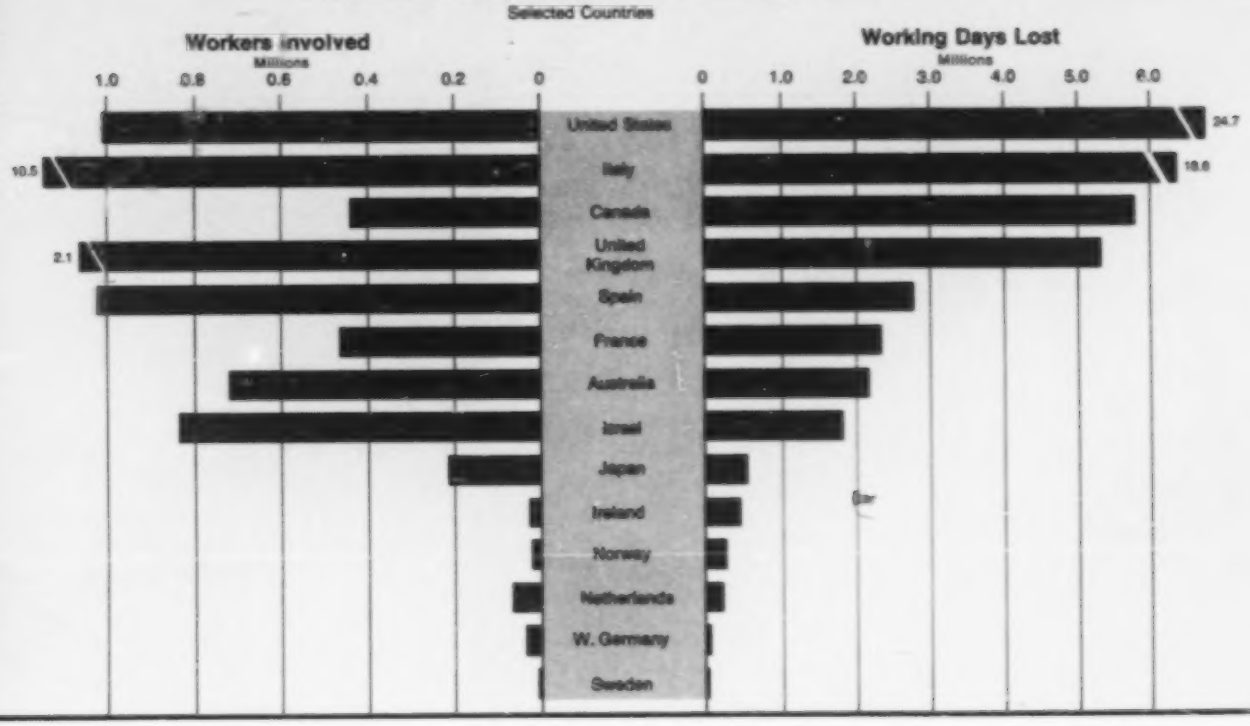




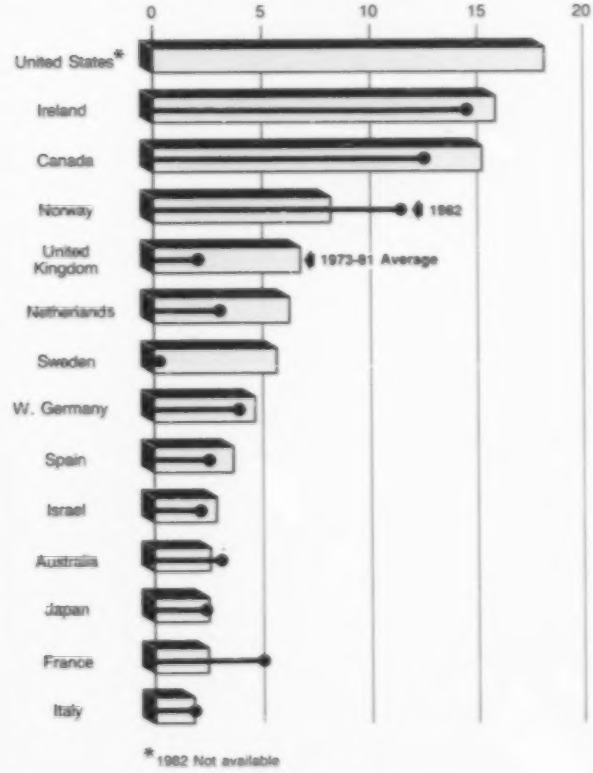


International Comparison of Strike Activity, 1982

Selected Countries



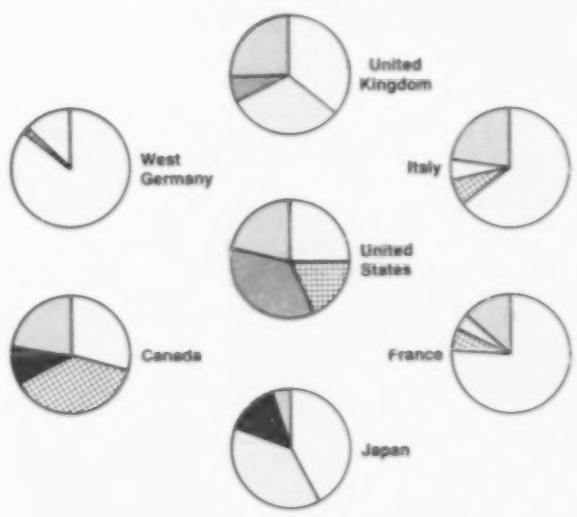
Days Lost Per Worker Per Year



*1982 Not available

Distribution of Work Days Lost by Major Industries, 1982

(Selected Countries)



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